

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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HEDGECO, LLC d/b/a HEDGECO NETWORKS,

Plaintiff,

– against –

JEFFREY SCHNEIDER and JARED TOREN,

Defendants.

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Case No.: 08 CV 0494 (SHS)

**ANSWER (WITH JURY DEMAND)**

Defendants, Jeffry Schneider and Jared Toren, by their attorneys, for their Answer to the Amended Complaint, allege as follows:

1. Deny knowledge or information sufficient to form a belief as to the accuracy of the allegations in paragraph 1.
2. Deny knowledge or information sufficient to form a belief as to the accuracy of the allegations in paragraph 2.
3. Admit Schneider resides in Texas, and deny all other allegations in paragraph 3.
4. Admit Toren resides in Texas, and deny all other allegations in paragraph 4.
5. Neither admit nor deny the allegations in paragraph 5, as they are legal conclusions.
6. Neither admit nor deny the allegations in paragraph 6, as they are legal conclusions.
7. Deny the allegations in paragraph 7, except deny knowledge or information concerning the business addresses of the two firms identified.
8. Repeat their answers to paragraphs 1-7.

9. Deny knowledge or information sufficient to form a belief as to the accuracy of the allegations in paragraph 9.

10. Deny knowledge or information sufficient to form a belief as to the accuracy of the allegations in paragraph 10.

11. Deny knowledge or information sufficient to form a belief as to the accuracy of the allegations in paragraph 11.

12. Deny the allegations in paragraph 12.

13. Deny the allegations in paragraph 13, subject to review of an original of the supposed agreement.

14. Neither admit nor deny the allegations in paragraph 14, which consist of quoting and citing selected portions of the annexed exhibit.

15. Admit the allegations in paragraph 15.

16. Admit the allegations in paragraph 16.

17. Neither admit nor deny the allegations in paragraph 17, which consist of quoting and citing selected portions of the annexed exhibit.

18. Neither admit nor deny the allegations in paragraph 18, which consist of quoting and citing selected portions of the annexed exhibit.

19. Deny the allegations in paragraph 19, except admit that Onyx was formed on October 17, 2007.

20. Admit the allegations in paragraph 20.

21. Admit the allegations in paragraph 21.

22. Admit the allegations in paragraph 22.

23. Deny knowledge or information

24. Deny the allegations in paragraph 24.
25. Deny the allegations in paragraph 25.
26. Deny the allegations in paragraph 26.
27. Deny the allegations in paragraph 27.
28. Deny the allegations in paragraph 28.
29. Deny the allegations in paragraph 29.
30. Deny the allegations in paragraph 30.
31. Deny the allegations in paragraph 31.
32. Deny the allegations in paragraph 32.
33. Deny the allegations in paragraph 33.
34. Deny the allegations in paragraph 34.
35. Deny the allegations in paragraph 35.
36. Deny the allegations in paragraph 36.
37. Deny the allegations in paragraph 37.
38. Deny the allegations in paragraph 38.
39. Deny the allegations in paragraph 39.
40. Deny the allegations in paragraph 40.
41. Deny the allegations in paragraph 41.
42. Deny the allegations in paragraph 42.
43. Deny the allegations in paragraph 43.
44. Repeat their answers to paragraphs 1-43.
45. Deny the allegations in paragraph 45.
46. Deny the allegations in paragraph 46.

47. Deny the allegations in paragraph 47.
48. Deny the allegations in paragraph 48.
49. Deny the allegations in paragraph 49.
50. Deny the allegations in paragraph 50.
51. Deny the allegations in paragraph 51.
52. Deny the allegations in paragraph 52.
53. Deny the allegations in paragraph 53.
54. Deny the allegations in paragraph 54.
55. Deny the allegations in paragraph 55.
56. Deny the allegations in paragraph 56.
57. Deny the allegations in paragraph 57.
58. Deny the allegations in paragraph 58.
59. Repeat their answers to paragraphs 1-58.
60. Deny the allegations in paragraph 60.
61. Deny the allegations in paragraph 61.
62. Deny the allegations in paragraph 62.
63. Deny the allegations in paragraph 63.
64. Deny the allegations in paragraph 64.
65. Deny the allegations in paragraph 65.
66. Repeat their answers to paragraphs 1-65.
67. Deny the allegations in paragraph 67.
68. Deny the allegations in paragraph 68.
69. Deny the allegations in paragraph 69.

- 70. Deny the allegations in paragraph 70.
- 71. Deny the allegations in paragraph 71.
- 72. Deny the allegations in paragraph 72.
- 73. Deny the allegations in paragraph 73.
- 74. Repeat their answers to paragraphs 1-73.
- 75. Deny the allegations in paragraph 75.
- 76. Deny the allegations in paragraph 76.

### **Affirmative Defenses**

#### **First Affirmative Defense**

- 77. Plaintiff's claims fail due to the fact that the alleged agreements with defendants are unenforceable.

#### **Second Affirmative Defense**

- 78. Plaintiff has failed to mitigate its damages, if any.

#### **Third Affirmative Defense**

- 79. Plaintiff's claims for injunctive relief are barred by the doctrine of unclean hands.

#### **Fourth Affirmative Defense**

- 80. Plaintiff's claims are barred by the economic loss doctrine.

#### **Fifth Affirmative Defense**

- 81. Plaintiff's claims for injunctive relief and judicial accounting are remedies, not claims, and therefore fail to state a claim for relief.

#### **Sixth Affirmative Defense**

- 82. Plaintiff's claims are barred by the doctrines of waiver and estoppel.

Seventh Affirmative Defense

83. Defendants' actions were all justified.

WHEREFORE, Defendants pray that the Court dismiss the complaint in its entirety, with prejudice, grant defendants their costs and attorney's fees, and grant such other and further relief as the Court deems proper.

**Jury Demand**

Defendants demand a jury on all triable issues.

Dated: New York, New York  
April 4, 2008

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